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LISTING STATEMENT NO. 2369

LISTED MAY 22, 1969.

950,000 Common Shares without par value,
of which 30,000 Shares are subject
to issuance.

Stock Symbol "GDM".

Post Section 10.

Dial Quotation No. 2167.

file

THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

Gdn. MANAGEMENT LIMITED

Incorporated under the Laws of the Province of Ontario

by Letters Patent dated January 18, 1962

COMMON SHARES WITHOUT PAR VALUE

(Transferable in Toronto, Winnipeg, Calgary and Vancouver)

CAPITALIZATION AS AT MARCH 28th, 1969

SHARE CAPITAL	AUTHORIZED	ISSUED AND OUTSTANDING	TO BE LISTED
Common Shares without par value	2,000,000	920,000	950,000

April 24th, 1969

1.

APPLICATION

Gdn. Management Limited (hereinafter called the "Company") hereby makes application for the listing on The Toronto Stock Exchange of 950,000 common shares without par value in the capital of the Company of which 920,000 are issued and outstanding as fully paid and non-assessable. The remaining 30,000 common shares included in this application have been reserved to cover purchase warrants held by two directors of the Company entitling them to purchase shares at \$8.00 per share up to December 31st, 1973.

2.

REFERENCE TO PROSPECTUS

Reference is hereby made to the prospectus (hereinafter called the "Prospectus") issued by the Company under the date of February 24th, 1969 with respect to the offering of 200,000 common shares without par value, a copy of which Prospectus is attached hereto and is hereby incorporated in this application and made part thereof.

3.

INCORPORATION, HISTORY AND NATURE OF BUSINESS

The Company was incorporated under the laws of the Province of Ontario by Letters Patent dated January 18th, 1962. By Supplementary Letters Patent dated November 26th, 1968 the Company was converted into a public company and its authorized capital was altered by cancelling the 30,000 authorized but unissued preference shares with a par value of \$1.00 each and subdividing and reclassifying the 9,600 issued common shares and 400 unissued common shares into 720,000 issued shares and 30,000 unissued shares respectively; and increasing the authorized capital from 750,000 to 2,000,000 shares without par value. (Reference is made to page 9 of the attached Prospectus under the heading "The Shares" for a description of the shares).

The Company is a management company that since its incorporation has provided management and advisory services under contract to Guardian Growth Fund Limited, a mutual fund more fully described in the attached prospectus, on page 3 under the heading "Guardian Growth Fund Limited". The fees derived from this contract at the present time represent the entire revenue of the Company which may be terminated at any time by either party upon 60 days' notice in writing and otherwise terminates December 31, 1971 unless renewed by Guardian Growth Fund on 30 days' prior notice.

The Company has a wholly-owned subsidiary, Gdn. INCUBATION LIMITED, which was incorporated under the laws of the Province of Ontario by letters patent dated November 29th, 1968. Gdn. INCUBATION LIMITED is an investment company which will be managed by the Company and provided with investment advisory services. Further particulars are set out in the attached prospectus on page 5 under the heading "Gdn. INCUBATION LIMITED".

4.

SHARES ISSUED SINCE INCORPORATION

Date of Issue	Number of Shares Issued	Amount Realized Per Share	Total Realized	Purpose of Issue
Jan. 18, 1962	3	\$ 1.00	\$ 3.00	Incorporators shares
Aug. 10, 1964	9,497*	.10	949.70	Subscribed for by Directors
July 8, 1968	100	24.00	2,400.00	Conversion of \$2,400.00 convertible debenture
March 28, 1969	200,000	7.50	1,500,000.00	To purchase 300,000 shares of Gdn. INCUBATION LIMITED

* These shares represent 720,000 shares of the reorganized capitalization of the Company.

5.

OPINION OF COUNSEL

Messrs. Day, Wilson, Campbell, 250 University Avenue, Suite 600, Toronto, Ontario, counsel for the Company, have filed in support of this application an opinion stating, among other things, that

- (i) the Company was duly incorporated by Letters Patent under the laws of the Province of Ontario, has been duly organized and is a valid and subsisting corporation in good standing under the laws of the Province of Ontario; and
- (ii) the authorized capital of the Company is 2,000,000 common shares without par value of which 920,000 common shares are issued and outstanding as fully paid and non-assessable.

6.

DIVIDEND RECORD

No dividend has been paid to date.

7.

LISTING ON OTHER EXCHANGES

There are no securities of the Company listed on any other Stock Exchange.

8.

STATUS UNDER THE SECURITIES ACT OF THE PROVINCES OF ONTARIO, SASKATCHEWAN, ALBERTA, BRITISH COLUMBIA, NEW BRUNSWICK, PRINCE EDWARD ISLAND, MANITOBA and NOVA SCOTIA

The offering of 200,000 common shares without par value in the capital stock of the Company was qualified for sale to the public as follows:

British Columbia	March 4, 1969
Alberta	February 27, 1969
Saskatchewan	February 28, 1969
Manitoba	February 28, 1969
Ontario	February 27, 1969
New Brunswick	February 28, 1969
Nova Scotia	April 8, 1969
Prince Edward Island	March 3, 1969

9.

FISCAL YEAR

The fiscal year of the Company ends on December 31st, in each year.

10.

ANNUAL MEETING

The By-laws of the Company provide that the Annual Meeting of Shareholders shall be held at such place within Ontario on such day in each year as the Board of Directors or the President or a Vice-President may determine from time to time. The last annual meeting was held on April 23rd, 1969.

11.

HEAD OFFICE

The head office of the Company is located at 48 Yonge Street, Toronto, Ontario.

12.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the shares of the Company is The Canada Trust Company at its principal offices located in Toronto, Winnipeg, Calgary and Vancouver.

PROSPECTUS DATED FEBRUARY 24, 1969.

THESE SECURITIES ARE NOT BEING OFFERED IN THE PROVINCE OF QUEBEC.

No securities commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereby and any representation to the contrary is an offence.

NEW ISSUE:

Gdn. Management Limited
(Incorporated under the laws of the Province of Ontario)

200,000 shares
(Without Par Value)

Price: \$8.00 per share

	Price to Public	Proceeds to the Underwriter	Proceeds to the Company (1)
Per share	\$8.00	\$.50	\$7.50
Total	\$1,600,000	\$100,000	\$1,500,000

(1) Before deduction of estimated expenses of \$25,000.

THESE ARE SPECULATIVE SECURITIES

Because of the nature of the investment policies of Gdn. Incubation Limited and Guardian Growth Fund Limited, as described under the heading Business of the Company on page 3, these shares may be viewed as speculative securities. There is at present no established market for the shares offered by this prospectus. Reference is made to the heading Plan of Distribution on page 7.

Before this financing, each share of Gdn. Management Limited had a book value of approximately 45¢ and a net tangible book value of approximately 45¢. The sale of these shares at \$8.00 per share will bring the book value per share to approximately \$2.05 and the net tangible book value per share to approximately \$2.02. The increase results from the proceeds of the sale. Purchasers are suffering an immediate dilution in the book value of their shares.

Application has been made to list the shares of Gdn. Management Limited on The Toronto Stock Exchange. Acceptance of listing will be subject to the filing of required documents and evidence of satisfactory distribution, both within 90 days.

We, as principals, offer these shares, subject to prior sale, if, as and when issued by Gdn. Management Limited and accepted by us and subject to the approval of all legal matters on behalf of Gdn. Management Limited by Messrs. Day, Wilson, Campbell, Toronto, and on our behalf by Messrs. Borden, Elliot, Kelley & Palmer, Toronto.

It is expected that definitive share certificates will be available on or about March 27, 1969.

RICHARDSON SECURITIES OF CANADA

EXECUTIVE OFFICE: WINNIPEG, MANITOBA

HALIFAX • DARTMOUTH • CHARLOTTETOWN • SUMMERSIDE • MONCTON • SAINT JOHN • FREDERICTON • QUEBEC CITY • MONTREAL • OTTAWA • KINGSTON
TORONTO • HAMILTON • SIMCOE • GALT • KITCHENER • LONDON • CHATHAM • WINDSOR • KENORA • WINNIPEG • BRANDON • REGINA • MOOSE JAW • SASKATOON
SWIFT CURRENT • MEDICINE HAT • LETHBRIDGE • EDMONTON • CALGARY • PRINCE GEORGE • VANCOUVER • VICTORIA • LONDON (ENGLAND).

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STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION OF PURCHASERS IN ONTARIO, MANITOBA, SASKATCHEWAN, ALBERTA AND BRITISH COLUMBIA

The attention of purchasers in the Provinces of Ontario, Manitoba, Saskatchewan and Alberta of any of the securities offered by this prospectus is drawn to certain provisions of relevant legislation, namely: The Securities Act, 1966 (Ontario), The Securities Act, 1968 (Manitoba), The Securities Act, 1967 (Saskatchewan) and The Securities Act, 1967 (Alberta), which permit such purchasers in certain events and subject to certain conditions:

- (a) to withdraw from any agreement of purchase if written or telegraphic notice evidencing the intention of the purchaser not to be bound by the agreement of purchase is received by the vendor or his agent not later than midnight on the second business day after the prospectus or amended prospectus is received or is deemed to be received by the purchaser or his agent; and
- (b) to rescind the agreement of purchase by institution of legal proceedings within 90 days from the later of the date of receipt of the prospectus or amended prospectus by the purchaser or his agent or the date of the agreement of purchase, if such prospectus, as of the date of receipt, contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement contained therein not misleading in the light of the circumstances in which it was made.

The full text of the respective statutory provisions summarized above are contained in Sections 63 and 64 of The Securities Act, 1966 (Ontario), Sections 63 and 64 of The Securities Act, 1968 (Manitoba), Sections 70 and 71 of The Securities Act, 1967 (Saskatchewan), and Sections 63 and 64 of The Securities Act, 1967 (Alberta).

Sections 61 and 62 of the Securities Act, 1967 (British Columbia) provide in effect, that where a security is offered to the public in the course of primary distribution:

- (a) a purchaser has a right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last prospectus, together with financial statements and reports and summaries of reports relating to the securities as filed with the British Columbia Securities Commission, was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell within 60 days of the date of delivery of the written confirmation, but no action shall be commenced after the expiration of three months from the date of service of such notice.
- (b) a purchaser has the right to rescind a contract for the purchase of such security while still the owner thereof, if the prospectus or any amended prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after expiration of 90 days from the later of the date of such contract or the date on which such prospectus or amended prospectus is received or is deemed to be received by him or his agent.

THE COMPANY

Gdn. Management Limited (the "Company") was incorporated under the laws of the Province of Ontario by letters patent dated January 18, 1962. By supplementary letters patent dated November 26, 1968, the Company was converted into a public company and its authorized capital was altered. The Company has its head office and principal place of business at 48 Yonge Street, Toronto, Canada.

BUSINESS OF THE COMPANY

The Company is a management company that since 1962 has provided management and advisory services under contract to Guardian Growth Fund Limited ("Guardian"), a mutual fund described below under the sub-heading Guardian Growth Fund Limited. The fees derived from this contract at the present time represent the entire revenue of the Company and are dependent upon the continuation of this contract, which may be terminated at any time by either party upon 60 days' notice in writing and otherwise terminates on December 31, 1971 unless renewed by Guardian on 30 days' prior notice. Following the approval by the shareholders at the annual meeting in April 1968, the management contract was amended by Agreement dated April 4, 1968 to provide for a basic expense, management and advisory fee and a performance bonus. Subsequently, the contract as amended was restated by Agreement dated December 16, 1968 to provide that for purposes of calculation of the basic fee and performance bonus, the management contract as amended would be treated as effective January 1, 1968. Said Agreement dated December 16, 1968 also amplifies the method of calculating the basic fee and performance bonus. The management contract as amended and restated has been approved by the Board of Directors and the shareholders of the Company and by the Board of Directors of Guardian, has been executed on behalf of both companies and will be submitted for ratification by the shareholders of Guardian at the forthcoming annual meeting. Since the performance bonus, in particular, is dependent upon the investment performance of Guardian, the earnings of the Company may fluctuate substantially. Earnings per share of the Company are set out under the heading Earnings on page 6.

The Company has a wholly-owned subsidiary, Gdn. Incubation Limited ("Gdn. Incubation") which was incorporated under the laws of the Province of Ontario by letters patent dated November 29, 1968. Gdn. Incubation is an investment company described under the sub-heading Gdn. Incubation Limited on page 5. The Company will manage Gdn. Incubation and provide Gdn. Incubation with investment advisory services.

The Company is currently studying the possibility of establishing a pooled pension trust for the investment of pension fund moneys.

Guardian Growth Fund Limited

Guardian Growth Fund Limited is a mutual fund incorporated under the laws of the Province of Ontario by letters patent dated April 26, 1960 with head office and principal place of business at 48 Yonge Street, Toronto. Shares of Guardian were sold to the public until April, 1968 when it was decided not to sell any more treasury shares. At that time 4,867,382 treasury shares were outstanding and as of November 30, 1968 4,866,358 treasury shares were outstanding. An over-the-counter market has developed for Guardian's outstanding shares, however, and purchases can normally be made at net asset value plus a premium which has ranged from nil to 15% during the period from April 19, 1968 to December 20, 1968. Guardian shareholders continue to have the right to redeem their shares at the net asset value per share. Since shares on the over-the-counter market normally trade at a premium over the net asset value per share, it is usually advantageous for shareholders to sell their shares rather than to redeem them.

The aim of Guardian is to provide a means of investment for that portion of an individual's portfolio which looks toward above average capital gains. Guardian's holdings are concentrated in a limited number of investment areas which offer above average growth combined with reasonable safety of principal. The small number of issues held by Guardian at any one time makes it practicable to subject these issues to the most detailed investment research. Guardian pays particular attention to the outlook for industries as a whole as well as to the outlook for the companies within them. Regular field trips aid the managers in making judgments as to the calibre of the management of companies in which investment is planned or has been made.

In return for providing management and advisory services Guardian pays the Company a basic expense, management and advisory annual fee which is computed so that this fee plus certain other administrative expenses of Guardian total 1½% of the average net assets of Guardian for the fiscal year. Interest on borrowed money, taxes on income, amortization of charter costs and the costs incurred in making securities transactions are not considered administrative expenses of Guardian for this purpose although they are paid by Guardian. The expenses which are considered administrative expenses of Guardian for this purpose include capital and place of business taxes, bank charges, audit fees, legal fees, transfer agents' fees and expenses, registration fees, printing, postage and stationery costs, cost of prospectuses, sales literature and reports to shareholders, and costs incurred in connection with meetings of shareholders. These expenses aggregated \$52,752 during the ten month period ended October 31, 1968. The basic fee is computed monthly on the average net assets for the month before deducting the basic management fee for that month, and payable within 15 days from the end of such month. For the purposes of calculating the basic fee, the average net assets for the month are the total of the weekly net assets (before deducting the basic fee for the month) as computed in accordance with the letters patent and supplementary letters patent of Guardian at the end of each week which ended during the month divided by the number of such weeks.

In addition to the basic fee, an annual performance bonus is paid if Guardian outperforms the stock market averages. This bonus amounts to a percent of average net assets during the fiscal year of Guardian equal to 1/10th of the amount by which the percentage gain in the net asset value per share of Guardian during its fiscal year, as computed before deducting the bonus from the closing net assets, exceeds the median percentage gain of the Toronto Industrial Index and the Dow-Jones Industrial Average in the same year; or conversely 1/10th of the amount by which the percentage loss in the net asset value per share of Guardian is less than the median percentage loss of these two indices. In the event that Guardian's net asset value per share is up in a year when the market averages are down, the performance bonus is earned and the bonus percentage is 1/10th of the spread between the positive performance of Guardian and the negative performance of the averages. This bonus will not exceed 2% of such average net assets and is payable in January if earned. The bonus is based on the average monthly net assets for the year after deducting the basic fee but before deducting the bonus. For the purposes of calculating the performance bonus, the average net assets for the month are the total of the weekly net assets (after deducting the basic fee for the month) as computed in accordance with the letters patent and supplementary letters patent of Guardian at the end of each week which ended during the month divided by the number of such weeks.

It is to be noted that the basic fee and performance bonus payable by Guardian to the Company are computed with reference to the average net assets of Guardian. In the future, the average net assets of Guardian may increase or decrease depending upon capital appreciation or depreciation of investments, excess of income over expenses (or excess of expenses over income) and redemption of outstanding preference shares. Since treasury shares of Guardian are no longer being sold to the public, there can be no increase in net assets from this source.

On October 31, 1968 Guardian had been in existence for more than 8 years and as at October 31, 1968 the total net assets of Guardian were approximately \$47,000,000. The percentage growth, on an annual basis, of Guardian's net asset value per share is set out in the following table, together with the comparative record of the Toronto Industrial Index and the Dow-Jones Industrial Average.

	10 months ended October 31,								
	1960	1961	1962	1963	1964	1965	1966	1967	1968
Guardian	+11%	+94%	+ 1%	+24%	+54%	+ 4%	+11%	+70%	+20%
Toronto Industrial Index	+ 8%	+28%	-10%	+11%	+21%	+ 2%	-12%	+10%	+11%
Dow-Jones Industrial Average	- 3%	+19%	-11%	+17%	+15%	+11%	-19%	+15%	+ 5%

Gdn. Incubation Limited

Gdn. Incubation Limited is an investment company incorporated under the laws of the Province of Ontario with an authorized capital of 1,000,000 shares without par value and having its head office and principal place of business at 48 Yonge Street, Toronto. The Company will use the proceeds of this issue to subscribe and pay for 300,000 shares of Gdn. Incubation for an aggregate cash consideration of \$1,500,000. Any additional funds required for the purchase of such shares will come from the general funds of the Company. The Company will decide all investment policies and provide investment advice to Gdn. Incubation. These policies may not be changed except by the affirmative vote of a majority of the outstanding shares of Gdn. Incubation. The present investment policies of Gdn. Incubation are outlined in the following paragraphs.

Gdn. Incubation will invest principally in common stocks of private companies and securities convertible into or exchangeable for common stocks of private companies or closely held public companies which, in the opinion of management, offer possibilities of capital appreciation. It would be Gdn. Incubation's hope, when making such an investment, that within a period of two years from the date of making the investment the affairs of the company invested in would have progressed to the point where it could make a public offering of its securities. Investors should fully understand that this policy, whereby Gdn. Incubation could have all its assets invested in securities which are not readily marketable, carries risks that are greater than those present in the purchase of securities of seasoned companies. It will be Gdn. Incubation's policy to provide a company with additional funds by way of loan or through purchase of the debt securities of such company, or where practical, to guarantee obligations of any such company, in return (in each case) for an equity position or a call on an equity position in the company concerned. Gdn. Incubation will provide these funds from its capital or from bank borrowings obtained to increase leverage. Gdn. Incubation may also provide management assistance, where feasible, particularly in the area of finance and control. Gdn. Incubation will have considerable flexibility to perform its investment activities for the benefit of the companies in which it invests thereby benefiting its own shareholders.

Gdn. Incubation reserves the right to make other investments that are believed to have profit possibilities equal to or greater than those available with securities of closely held companies. It is the present policy of Gdn. Incubation that such investments will not include the purchase and sale of real estate, the purchase and sale of commodities or commodity future contracts, or the investment in mutual fund shares or the shares of other investment companies. Gdn. Incubation will not make loans to Guardian nor will it underwrite any security offerings. It will not purchase securities where such purchase would cause Gdn. Incubation to have in excess of 33½% of the value of its assets at cost invested in the securities of any one company. This policy would permit Gdn. Incubation to invest the entire proceeds of this issue in the securities of three companies. Gdn. Incubation may at times have, or may attempt to acquire, voting control of companies invested in, and may therefore exercise control over these companies. There will be no restriction on the concentration of its investments in any one industry.

At the present time there is no management contract between Gdn. Incubation and the Company. Should Gdn. Incubation at a future date cease to be a wholly-owned subsidiary of the Company, it may then sign a management contract with the Company.

CAPITALIZATION

	Authorized	Outstanding as of October 31, 1968	Outstanding as of November 30, 1968	Amount to be Outstanding upon Completion of this Financing
Capital Stock:				
Shares without par value (1 and 2)	2,000,000 shares	9,600 common shares (\$3,353)	720,000 shares (\$3,353)	920,000 shares (\$1,503,353)

Notes:

- Supplementary letters patent were issued November 26, 1968 subdividing and reclassifying the 9,600 issued common shares into 720,000 issued shares and increasing the authorized capital to 2,000,000 shares without par value. In addition to the stated value of shares, the Company had retained earnings of \$317,688 as at October 31, 1968.
- There are 30,000 share purchase warrants outstanding as described under the heading Share Purchase Warrants on page 9.
- For information regarding obligations under leases of real property refer to Note 6 of Notes to Financial Statements on page 15.

EARNINGS

The following table sets forth the after tax earnings per share of the Company for the periods indicated:

	Years ended December 31				10 months ended October 31	
	1964	1965	1966	1967	1967	1968
Nil ¢	Nil ¢	Nil ¢	5.1¢	3.4¢	12.4¢ (excluding bonus)	29.4¢ (including bonus)

NOTES:

- Earnings per share are based on 920,000 shares outstanding after issue of the shares being offered by this prospectus.
- Earnings per share are based on the earnings reported by the Company as set out in the statement of earnings and retained earnings on page 14.
- The Company was not entitled to any bonus in 1967 and prior years. For basis of calculating management fee and bonus, refer to Note 1 to the financial statements on page 15.

PLAN OF DISTRIBUTION

Pursuant to an agreement dated February 24, 1969 the Company has agreed to sell and Richardson Securities of Canada (the "Underwriter") has agreed to purchase, as principal, all the 200,000 shares offered by this prospectus for a total consideration of \$1,500,000 payable in cash on delivery of certificates in definitive form representing such shares, if, as and when issued and subject to compliance with the necessary legal formalities and to the terms and conditions stated in the said agreement. The Underwriter is committed to take up and pay for all the shares subject to the terms, conditions and provisions of the said agreement.

By an agreement dated February 24, 1969 Messrs. James Francis Cole, Alan Grieve, Ralph Horner, Gurston Rosenfeld, Norman John Short, Murray Sinclair and Hunter Thompson agreed with the Underwriter not to sell, dispose of, or otherwise deal in, directly or indirectly, any shares of the Company for a period of six months from the date of this prospectus without the prior written consent of the Underwriter.

The shares offered by this prospectus and the shares owned by directors and senior officers of the Company represent 21.7% and 70.7% respectively, of the 920,000 shares to be outstanding after this issue.

At the request of the Company the Underwriter has agreed that the shares offered by this prospectus will be made available in the first instance, insofar as, in the opinion of the Company and the Underwriter, it is possible and practicable to do so, to shareholders of Guardian and thereafter to the public generally.

USE OF PROCEEDS

After deduction of expenses connected with the issue (estimated not to exceed \$25,000), the proceeds to be derived by the Company from the sale of the 200,000 treasury shares offered by this prospectus will amount to \$1,475,000 and will be used to pay the subscription price of shares of Gdn. Incubation as more fully described under the sub-heading Gdn. Incubation Limited on page 5. Gdn. Incubation will invest the funds so received in accordance with the investment policies which are also described under the sub-heading Gdn. Incubation Limited.

MANAGEMENT

Directors and Officers

The names and home addresses in full of the directors and officers of the Company, offices held in the Company and their principal occupation within the 5 preceding years are as follows:

Name and Address	Office	Occupation
James Francis Cole, 291 Russell Hill Road, Toronto, Ontario.	Director	Financial Analyst
Alan Grieve, 238 Glenrose Avenue, Toronto, Ontario.	Secretary-Treasurer and Director	Executive and Chemical Engineer
Norman John Short, 4 May Street, Toronto, Ontario.	President and Director	Financial Analyst
Murray Sinclair, 96 Glengowan Road, Toronto, Ontario.	Director	Financial Analyst

Alan Grieve, Norman John Short and Murray Sinclair are directors and the President, Secretary and Treasurer, respectively, of Gdn. Incubation.

Norman John Short, M.A., has practised his occupation as a financial analyst for the past five years and is the President and a Director of Guardian Growth Fund Limited and the President and a Director of Norman Short and Associates Limited.

Alan Grieve, B.Sc., has practised his occupation as a chemical engineer and executive for the past five years and is the Vice-President, Secretary and a Director of Guardian Growth Fund Limited.

James Francis Cole, B.Comm., has practised his occupation as a financial analyst for the past five years and is a Director of Guardian Growth Fund Limited and a Director of Life Investors Limited.

Murray Sinclair has practised his occupation as a financial analyst for the past five years and is a registered representative with Cochran, Murray & Co. Limited, the President and a Director of International Bond and Equity Corporation Limited, the President and a Director of Life Investors Limited, a Director of Guardian Growth Fund Limited and a Director of other private companies.

Remuneration of the Directors and Senior Officers

The aggregate remuneration paid by the Company, directly or indirectly, to the directors and senior officers of the Company during the last completed financial year ended on December 31, 1967 was \$227,915.

The aggregate remuneration paid or payable by the Company, directly or indirectly, to the directors and senior officers of the Company from January 1, 1968 to November 30, 1968 was \$97,390. In addition, it is the present policy of the Company to pay annual bonuses to directors, senior officers and other employees equivalent in the aggregate to 15% of the annual performance bonus earned by the Company under its contract with Guardian. For the period January 1, 1968 to November 30, 1968 bonuses aggregating approximately \$62,000 have been accrued for directors and senior officers. These accrued bonuses can increase or decrease during the remainder of the year since they are based on the performance bonus earned by the Company.

There will be no remuneration paid to the present directors or officers of Gdn. Incubation, as such, in the near future.

Interest of Management in Material Transactions

Messrs. James Francis Cole, Alan Grieve, Norman John Short and Murray Sinclair are all directors of Guardian Growth Fund Limited.

Two directors of the Company hold share purchase warrants as described under the heading Share Purchase Warrants on page 9.

THE SHARES

Description of the Shares

The authorized capital of the Company consists of 2,000,000 shares without par value of which 200,000 shares are being offered by this prospectus. The shares are entitled to dividends as and when declared by the Board of Directors; are entitled to one vote per share; are entitled, upon liquidation, to receive pro rata such assets of the Company as are distributable to shareholders; and have no pre-emptive or conversion rights. The outstanding shares and the shares hereby offered are and will be fully paid and non-assessable.

Dividend Policy

While the payment of dividends by the Company is not restricted at present it is expected that the Company will retain its future earnings for investment purposes and will not pay dividends in the near future.

PRINCIPAL HOLDERS OF SHARES

As of November 30, 1968 the following each owned, directly or indirectly, of record and beneficially, more than 10% of the shares of the Company:

Name and Address	Number of Shares Owned	Percentage of Class
James Francis Cole, 291 Russell Hill Road, Toronto, Ontario.	82,500	11.5%
Alan Grieve, 238 Glenrose Avenue, Toronto, Ontario.	137,500	19.1%
Ralph Horner, 266 Douglas Drive, Toronto, Ontario.	170,000	23.6%
Norman John Short, 4 May Street, Toronto, Ontario.	177,500	24.7%
Murray Sinclair, 96 Glengowan Road, Toronto, Ontario.	82,500	11.5%

As of November 30, 1968 the directors and senior officers of the Company, as a group, owned, directly or indirectly, of record and beneficially, approximately 90.4% of the outstanding shares of the Company.

SHARE PURCHASE WARRANTS

As of November 30, 1968 there were 30,000 share purchase warrants held by two directors of the Company.

Number of Share Purchase Warrants	Warrant Price at Issue November 30, 1968	Subscription Price
30,000	\$2.00	\$8.00 per share until December 31, 1973

TAX STATUS

The Company and Gdn. Incubation are taxed in Canada as normal Canadian corporations. Dividends received by the Company and by Gdn. Incubation from most Canadian companies are exempt from Canadian income tax. Dividends received by the Company from Gdn. Incubation are exempt from Canadian income tax.

Individual shareholders are subject to income tax on dividends paid by the Company. Individual shareholders resident in Canada are entitled to a tax credit equal to 20% of the net dividends so received.

CUSTODIAN

A Canadian chartered bank in Toronto is the custodian for the assets of Guardian and a Canadian chartered bank will act as the custodian for the assets of Gdn. Incubation. The custodian will play no part in deciding investment policies of Guardian or Gdn. Incubation.

MATERIAL CONTRACTS

Particulars regarding material contracts entered into by the Company within the 2 years preceding the date hereof, other than contracts in the ordinary course of business, are as follows:

1. The underwriting agreement dated February 24, 1969 made between Richardson Securities of Canada and the Company referred to under the heading Plan of Distribution on page 7.
2. The agreement made January 18, 1962 between the Company and Guardian, as amended by agreements dated April 4, 1968 and December 16, 1968, between the same parties relating to payment by Guardian to the Company of a basic expense, management and advisory annual fee and a performance bonus referred to under the sub-heading Guardian Growth Fund Limited on page 8.

Copies of the foregoing agreements may be inspected at the head office of the Company at 48 Yonge Street, Toronto, while the shares offered by this prospectus are in the course of primary distribution and for 30 days thereafter.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are Messrs. Smith, Nixon & Co., 372 Bay Street, Toronto, Ontario.

The transfer agent and registrar for the shares of the Company is The Canada Trust Company at its principal offices located in Toronto, Winnipeg, Calgary and Vancouver.

AUDITORS' REPORT

To the Directors of
Gdn. Management Limited.

We have examined the balance sheet of Gdn. Management Limited as at October 31, 1968 and the pro forma consolidated balance sheet of Gdn. Management Limited and its subsidiary company as at October 31, 1968 and the statement of earnings and retained earnings of Gdn. Management Limited for the five years and ten months ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion:

- (a) the accompanying balance sheet presents fairly the financial position of the Company as at October 31, 1968;
- (b) the accompanying pro forma consolidated balance sheet presents fairly the financial position of the companies as at October 31, 1968 after giving effect to the changes set forth in Note 5; and
- (c) the accompanying statement of earnings and retained earnings presents fairly the results of operations of the Company for the five years and ten months ended October 31, 1968;

all in accordance with generally accepted accounting principles applied on a consistent basis.

Toronto, Ontario,
February 24, 1969.

(Signed) Smith, Nixon & Co.
Chartered Accountants.

Gdn. Manage
Balance Sheet and Pro Form
as at Octo

	Assets		Pro Forma Consolidated Balance Sheet	
	Balance Sheet		(Note 5)	
Current Assets				
Cash		\$260,355	\$1,795,355	
Basic management fee receivable		19,508	19,508	
Accrued management bonus (Note 1)		396,470	396,470	
Sundry accounts receivable		15,187	15,187	
Prepaid expenses		2,600	2,600	
		<u>694,120</u>	<u>2,229,120</u>	
Investment — at cost				
Guardian Growth Fund Limited Common shares (Net asset value \$43,920)		18,000	18,000	
Fixed Assets				
Office furniture and equipment — at cost		13,309	13,309	
Leasehold improvements — at cost		15,268	15,268	
		<u>28,577</u>	<u>28,577</u>	
Less: Accumulated depreciation and amortization		5,372	5,372	
		<u>23,205</u>	<u>23,205</u>	
Deferred Financing and Incorporation Expenses		—	25,000	
		<u>\$735,325</u>	<u>\$2,295,325</u>	

APPROVED ON BEHALF OF THE BOARD

(Signed) Norman J. Short }
 (Signed) Alan Grieve } DIRECTORS

The accompanying notes to financial statements

ment Ltd.

a Consolidated Balance Sheet

ber 31, 1968

Liabilities

	Balance Sheet	Pro Forma Consolidated Balance Sheet
Current Liabilities		
Accrued salaries and fees	\$ 54,167	\$ 54,167
Accrued bonuses to management and employees (Note 2)	60,000	60,000
Accounts payable and sundry accrued liabilities	7,429	7,429
Accrued income taxes	292,688	292,688
	<u>414,284</u>	<u>414,284</u>

Shareholders' Equity

Capital Stock (Notes 4 and 5)

Authorized —

Balance sheet:

30,000 7% non-cumulative preference shares with a par value of \$1.00 each, redeemable at par

10,000 common shares without par value

Pro Forma:

2,000,000 shares without par value

Issued and fully paid —

Balance sheet — 9,600 common shares

3,353

—

Pro forma — 920,000 shares

—

1,503,353

Contributed Surplus

Proceeds from sale of share purchase warrants

—

60,000

Retained earnings

317,688

317,688

321,041

1,881,041

\$735,325

\$2,295,325

are an integral part of these statements.

Gdn. Management Limited
Statement of Earnings and Retained Earnings

	Year ended December 31					Ten months ended October 31 1967	Ten months ended October 31 1968
	1963	1964	1965	1966	1967	(Unaudited)	
Revenue							
Basic management fee earned	\$7,617	\$25,034	\$41,040	\$52,219	\$336,078	\$240,350	\$410,177
Expenses							
Management and analysts' salaries and fees	7,578	24,439	15,988	36,981	111,523	91,168	98,494
Other operating expenses	39	742	8,069	8,376	23,475	15,376	84,876
	7,617	25,181	24,057	45,357	134,998	106,544	183,370
	Nil	(147)	16,983	6,862	201,080	133,806	226,807
Performance Bonus Revenue (Note 1)	—	—	—	—	—	—	396,470
	Nil	(147)	16,983	6,862	201,080	133,806	623,277
Provision for Bonuses to Management and Employees (Note 2)	—	—	10,500	6,400	125,000	89,375	60,000
	Nil	(147)	6,483	462	76,080	44,431	563,277
Gain (Loss) on Disposal of Investments	—	147	(4,587)	36	—	—	—
Earnings Before Income Taxes	Nil	Nil	1,896	498	76,080	44,431	563,277
Provision for Income Taxes	—	—	1,457	106	29,500	13,000	293,000
Net Earnings for the Period	Nil	Nil	439	392	46,580	31,431	270,277
 Retained Earnings —							
Beginning of Period	—	—	—	439	831	831	47,411
Retained Earnings — End of Period	Nil	Nil	\$ 439	\$ 831	\$ 47,411	\$ 32,262	\$317,688

The accompanying notes to financial statements are an integral part of these statements.

Gdn. Management Limited
Notes to Financial Statements

1. Basic Management Fee and Performance Bonus Earned

Under a contract with Guardian Growth Fund Limited ("Guardian"), as amended in 1968, Gdn. Management Limited (the "Company") receives a basic expense, management and advisory annual fee computed such that this fee plus certain other administrative expenses of Guardian, specifically set forth in the contract, total 1½% of the average net assets of Guardian. This basic management fee is computed monthly on the average net assets for the month, before deducting the basic management fee for the month. In addition to the basic fee, the Company will receive a performance bonus if Guardian outperforms the stock market averages. This bonus will amount to a percentage of average net assets during the year equal to 1/10th of the amount by which the percentage gain in the net asset value per share of Guardian, as computed before deducting the bonus from the closing net assets, exceeds the median percentage gain of the Toronto Industrial Index and the Dow-Jones Industrial Average in the same year; or conversely 1/10th of the amount by which the percentage loss in the net asset value per share of Guardian is less than the median percentage loss of these indices. In the event that the net asset value per share of Guardian is up in a year when the market averages are down, the performance bonus will be earned and the bonus percentage will be 1/10th of the spread between the positive performance of Guardian and the negative performance of the averages. This performance bonus is based on the average monthly net assets of Guardian for the year, after deducting the basic management fee but before deducting the bonus. Also, this bonus will not exceed 2% of such average net assets and will be received by the Company subsequent to the year end of Guardian, if earned.

Bonus in the amount of \$396,470 which has been accrued in the attached statements and shown under performance bonus revenue has been based on the performance of Guardian for the ten months ended October 31, 1968. For purposes of bonus computation, Guardian outperformed the averages by 13% during this period and the accrued bonus taken into revenue equals 10/12ths of 1.3% of the average net assets for the ten-month period. A change in performance subsequent to October 31, 1968 will raise or lower the bonus percentage for the year.

During 1967 and prior years, the Company received a basic expense, management and advisory fee computed such that this fee plus certain other administrative expenses of Guardian totalled 2% of the year end net assets of Guardian, but the Company was not entitled to any bonus during those years.

2. Bonuses to Management and Employees

It is the present policy of the Company to pay annual bonuses to management and employees equivalent to 15% of the annual performance bonus earned by the Company. Bonuses of \$60,000 have been accrued for the ten months ended October 31, 1968 and these bonuses can increase or decrease during the remainder of the year since they are based on the performance bonus earned by the Company.

3. Depreciation and Amortization

The depreciation and amortization of leasehold improvements included in operating expenses for the ten months ended October 31, 1968 was \$5,101. During 1967 and prior years, the total depreciation and amortization was negligible.

4. 5½% Convertible Debenture

A 5½% convertible debenture of \$2,400 was converted on July 8, 1968 into 100 common shares of the Company's capital stock.

5. Pro Forma Consolidated Balance Sheet

The pro forma consolidated balance sheet gives effect as at October 31, 1968 to the following:

- (a) the issue of supplementary letters patent dated November 26, 1968
 - (1) cancelling the 30,000 authorized but unissued preference shares with a par value of \$1.00 each;
 - (2) sub-dividing and reclassifying the 9,600 issued common shares and 400 unissued common shares into 720,000 issued shares and 30,000 unissued shares respectively; and
 - (3) increasing the authorized capital from 750,000 to 2,000,000 shares without par value.
- (b) the issue of 200,000 shares of the Company for an aggregate consideration of \$1,500,000 pursuant to an underwriting agreement dated February 24, 1969 with Richardson Securities of Canada.
- (c) the incorporation by letters patent dated November 29, 1968 of a wholly-owned subsidiary company named Gdn. Incubation Limited having an authorized capital of 1,000,000 shares without par value; a subscription by Gdn. Management Limited for 300,000 shares of Gdn. Incubation Limited for \$1,500,000 from the proceeds of this issue with any additional funds required for this purchase to come from the general funds of the Company; and the consolidation of Gdn. Incubation Limited with Gdn. Management Limited in the attached pro forma consolidated balance sheet.
- (d) the payment of the Company's share of the expense of the transactions referred to in this note 5 estimated at \$25,000 including the incorporation expenses of Gdn. Incubation Limited.
- (e) the sale on November 30, 1968 of 30,000 share purchase warrants to directors of the Company for an aggregate cash consideration of \$60,000; which warrants entitle the holders thereof to purchase shares of the company at \$8.00 per share until December 31, 1973; and the reserving of 30,000 authorized but unissued shares without par value for the exercise of these warrants.

6. Lease Commitment

Minimum rentals under a lease agreement will aggregate \$57,702 in the next five years. Rentals paid by the Company for premises amounted to \$1,925 for the year ended December 31, 1967 and \$11,044 for the ten months ended October 31, 1968.

CERTIFICATE OF THE COMPANY

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Section 13 of the Securities Act (New Brunswick), by Part VII of The Securities Act, 1966 (Ontario) and the regulations thereunder, by Part VII of The Securities Act, 1968 (Manitoba) and the regulations thereunder, by Part VIII of The Securities Act, 1967 (Saskatchewan) and the regulations thereunder, by Part 7 of The Securities Act, 1967 (Alberta) and the regulations thereunder, and by Part VII of the Securities Act, 1967 (British Columbia) and the regulations thereunder.

Dated: February 24, 1969.

(Signed) Norman John Short
President
Chief Executive Officer

(Signed) Alan Grieve
Secretary-Treasurer
Chief Financial Officer

On behalf of the Board of Directors by:

(Signed) James Francis Cole, Director

(Signed) Murray Sinclair, Director

DIRECTORS

(Signed) James Francis Cole

(Signed) Norman John Short

(Signed) Alan Grieve

(Signed) Murray Sinclair

CERTIFICATE OF UNDERWRITER

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Section 13 of the Securities Act (New Brunswick), by Part VII of The Securities Act, 1966 (Ontario) and the regulations thereunder, by Part VII of The Securities Act, 1968 (Manitoba) and the regulations thereunder, by Part VIII of The Securities Act, 1967 (Saskatchewan) and the regulations thereunder, by Part 7 of The Securities Act, 1967 (Alberta) and the regulations thereunder, and by Part VII of the Securities Act, 1967 (British Columbia) and the regulations thereunder.

Dated: February 24, 1969.

RICHARDSON SECURITIES OF CANADA

(Signed) Howard Ridgway Bennett

The following are the names of every person having an interest, either directly or indirectly, to the extent of not less than 5% in the capital of Richardson Securities of Canada: George T. Richardson.

13.

TRANSFER FEE

No fee is charged on stock transfers other than customary stock transfer taxes.

14.

AUDITORS

The Auditors of the Company are:

Messrs. Smith, Nixon & Co.,
372 Bay Street, Toronto, Ontario.

15.

DIRECTORS AND OFFICERS

Particulars of the Company's Officers and Directors are set out on page 8 of the attached Prospectus.

16.

CERTIFICATE

Pursuant to a resolution passed by the Board of Directors, the applicant company hereby applies for listing of the above-mentioned securities on The Toronto Stock Exchange. The undersigned officers thereof hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

GDN. MANAGEMENT LIMITED

By "ALAN GRIEVE"
By "NORMAN J. SHORT"

17.

CERTIFICATE OF UNDERWRITER

To the best of our knowledge, information and belief, all of the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

RICHARDSON SECURITIES OF CANADA

By "H. R. BENNETT"

18.

DISTRIBUTION OF ISSUED COMMON SHARES AS OF APRIL 17, 1969

Number				Shares
907	Holders of	1	—	24 share lots..... 11,975
515	" "	25	—	99 " " 24,255
144	" "	100	—	199 " " 17,590
43	" "	200	—	299 " " 9,680
19	" "	300	—	399 " " 6,220
9	" "	400	—	499 " " 3,920
21	" "	500	—	999 " " 14,235
33	" "	1000	—	up " " 832,125
1,691 Shareholders				Total shares 920,000

